



**Better Buildings Residential Network
Peer Exchange Call Series:**
Home Performance and Real Estate
August 8, 2019

Agenda and Ground Rules

- Agenda Review and Ground Rules
- Opening Poll
- Residential Network Overview and Upcoming Call Schedule
- Featured Speakers:
 - **Anthony Roy**, Earth Advantage
 - **Katie Jones**, Center for Energy and Environment
 - **Dan Ticona**, Freddie Mac
- Open Discussion
- Closing Poll and Announcements

Ground Rules:

1. **Sales of services and commercial messages are not appropriate** during Peer Exchange Calls.
2. Calls are a safe place for discussion; **please do not attribute information to individuals** on the call.

The views expressed by speakers are their own, and do not reflect those of the Dept. of Energy.

Better Buildings Residential Network

Join the Network

Member Benefits:

- Recognition in media and publications
- Speaking opportunities
- Updates on latest trends
- Voluntary member initiatives
- One-on-One brainstorming conversations

Commitment:

- Members only need to provide *one number*: their organization's number of residential energy upgrades per year, or equivalent.

Upcoming Calls (2nd & 4th Thursdays):

- To Be Announced

Peer Exchange Call summaries are posted on the Better Buildings [website](#) a few weeks after the call

For more information or to join, for no cost, email bbresidentialnetwork@ee.doe.gov, or go to energy.gov/eere/bbrn & click Join



Anthony Roy
Earth Advantage

LINKING HOME ENERGY SCORES TO REAL ESTATE TRANSACTIONS



earthadvantage®



LINKING HOME ENERGY SCORES TO REAL ESTATE TRANSACTIONS

Today's topics...

- Intro to Earth Advantage's work

- Portland Home Energy Score program

- Home energy data in Portland real estate transactions via Green Building Registry®

- Supporting a changing real estate industry

- Fannie Mae® Portland Home Energy Score pilot

Earth Advantage Areas of Focus

Regional - Northwest US



Residential Green Certification

Advancing green certification standards in NW. Single family & multifamily home certification.



Zero Energy Coalition

Co-formed Oregon coalition to advance zero energy ready buildings by 2030.

National



Real Estate Market Green Data

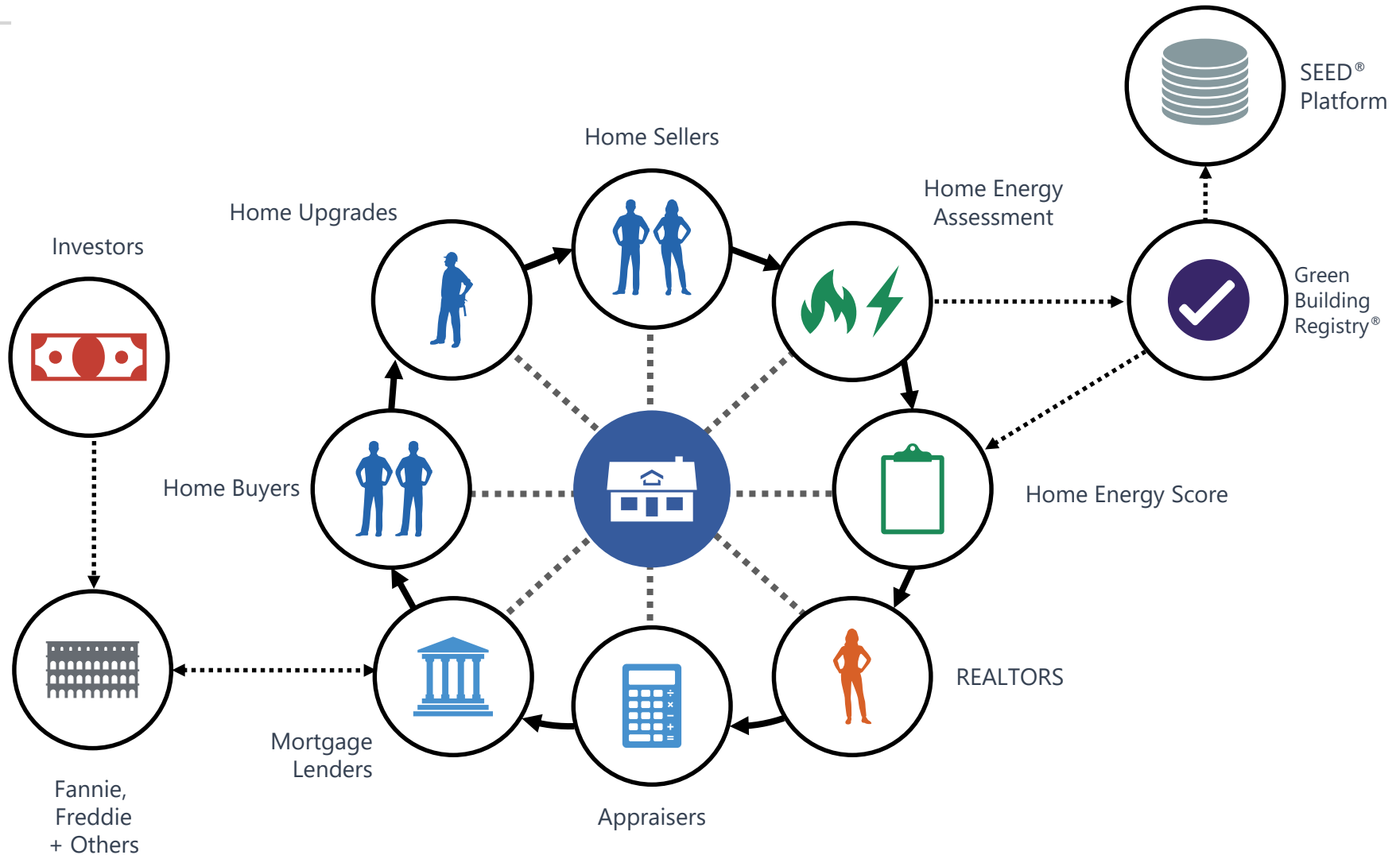
Green Building Registry® + SEED® Platform hosting. MLS data transfer.



Energy Labeling & Green Valuation

Home Energy Score, real estate professional training, lender engagement & policy support.

Home Energy Data and the Real Estate 'ecosystem'



A wide-angle photograph of the Portland, Oregon skyline at night. The city is illuminated with various lights, and the city lights reflect on the water in the foreground. In the background, the snow-capped peak of Mount Hood is visible against a clear sky. The overall scene is a panoramic view of the city and its surrounding landscape.

PORTLAND HOME ENERGY SCORE PROGRAM



City of Portland (OR) Home Energy Score Policy

As of January 1, 2018, prior to publicly listing a home for sale, the seller or the seller's designated representative must:

1



Obtain a Home Energy Score (HES) from an authorized assessor.

2



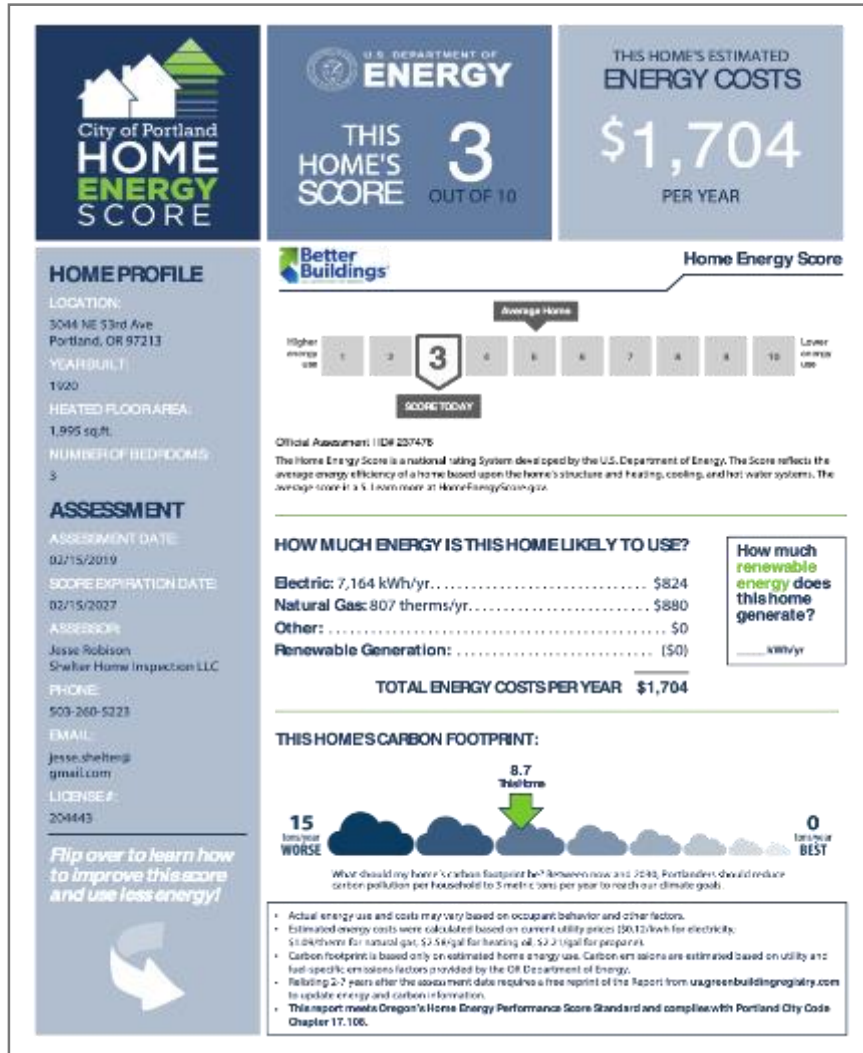
Include the HES on the MLS listing or any other online listing service.

3



Provide a copy of the report to all agents and buyers.

Sample Portland HES Report





Home energy information in the Portland real estate market

Total Homes Scored (to date):

13,000+

Average HES:

4.6

Average potential HES:

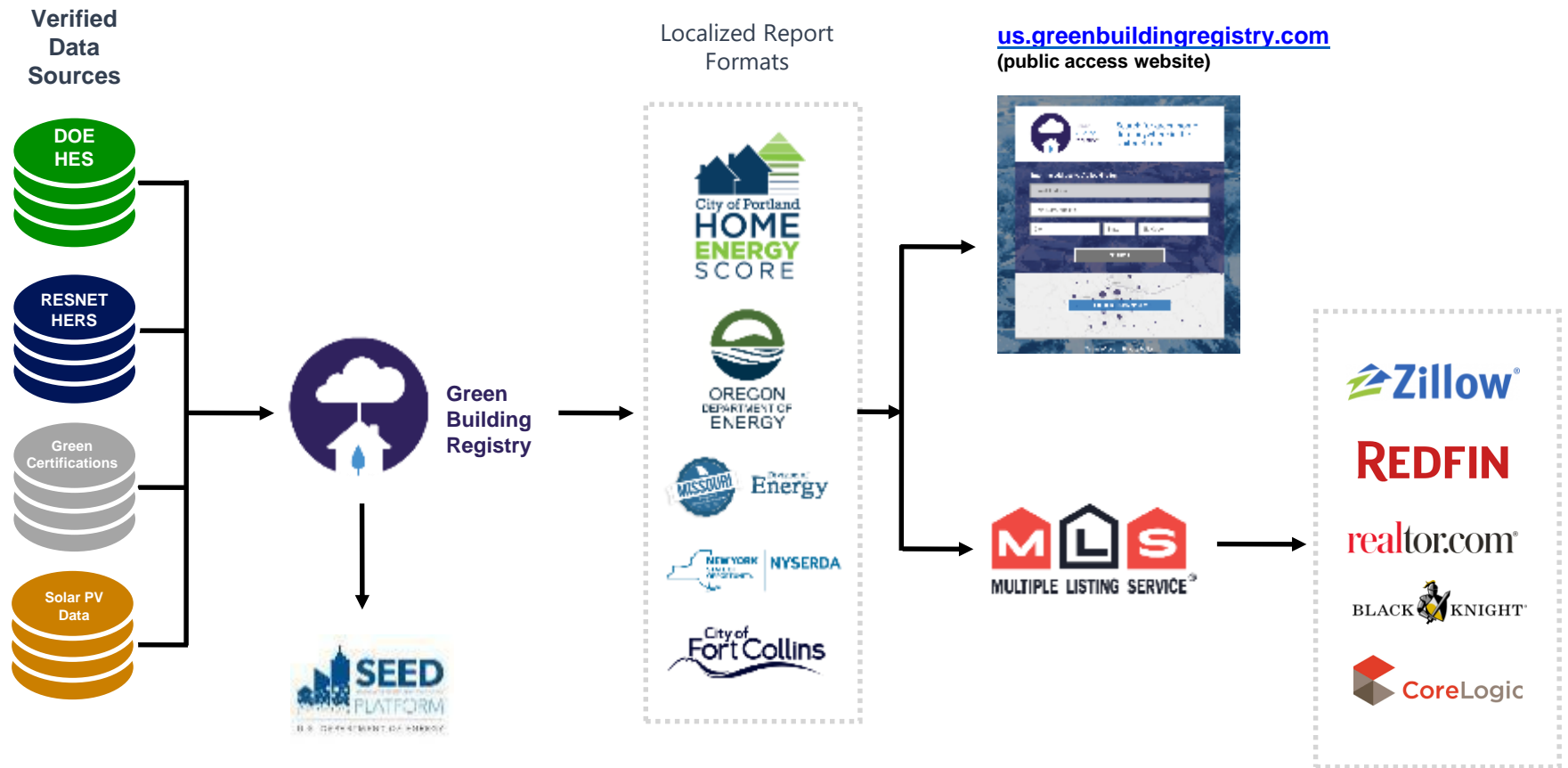
7.3

An aerial photograph of a suburban neighborhood with numerous houses, streets, and green spaces. The entire image is covered with a semi-transparent blue filter. A dark teal rectangular box is positioned in the center-left, containing white text.

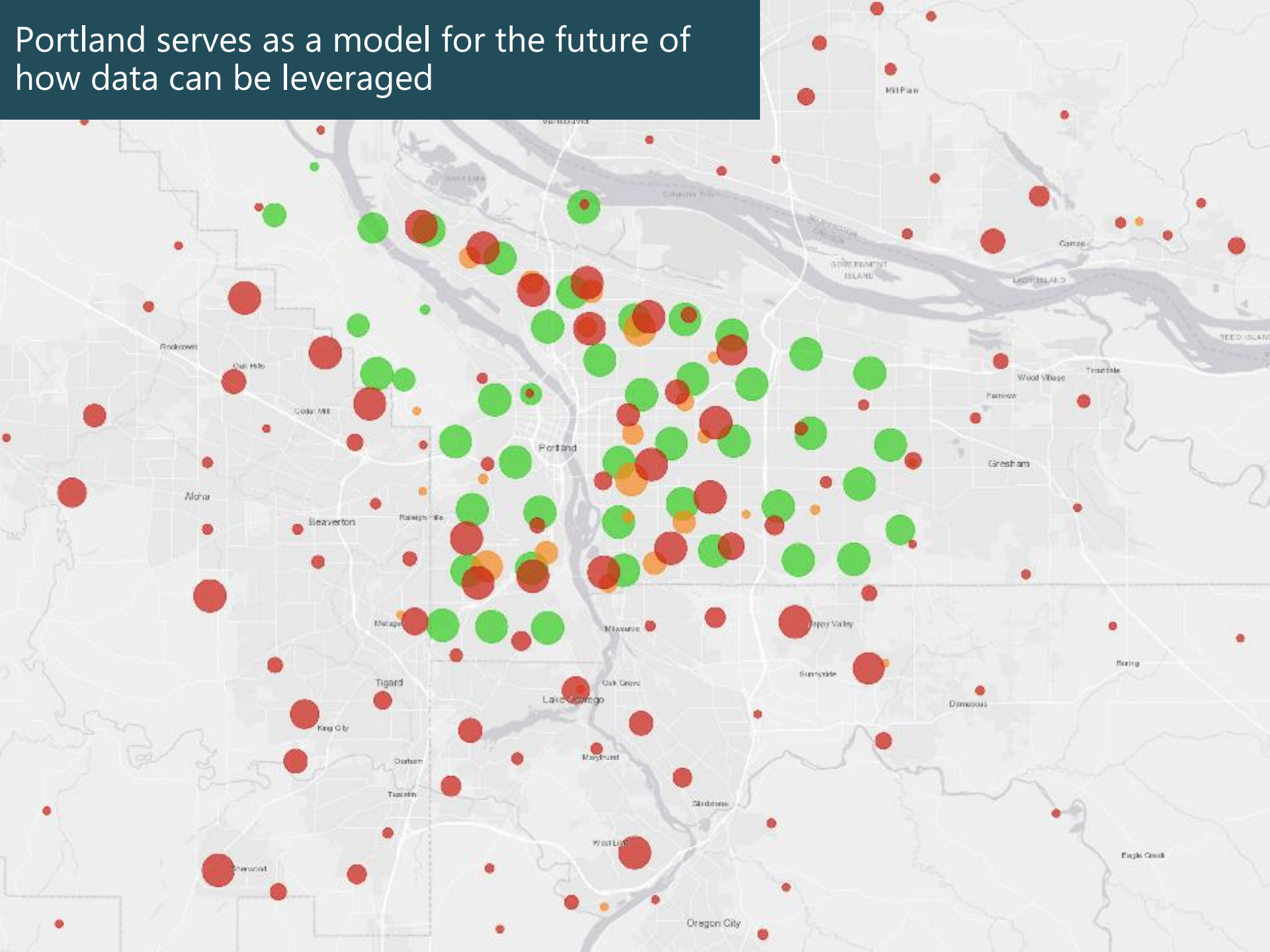
HOME ENERGY DATA IN PORTLAND REAL ESTATE TRANSACTIONS VIA GREEN BUILDING REGISTRY®

Green Building Registry®

Data Flow



Portland serves as a model for the future of how data can be leveraged

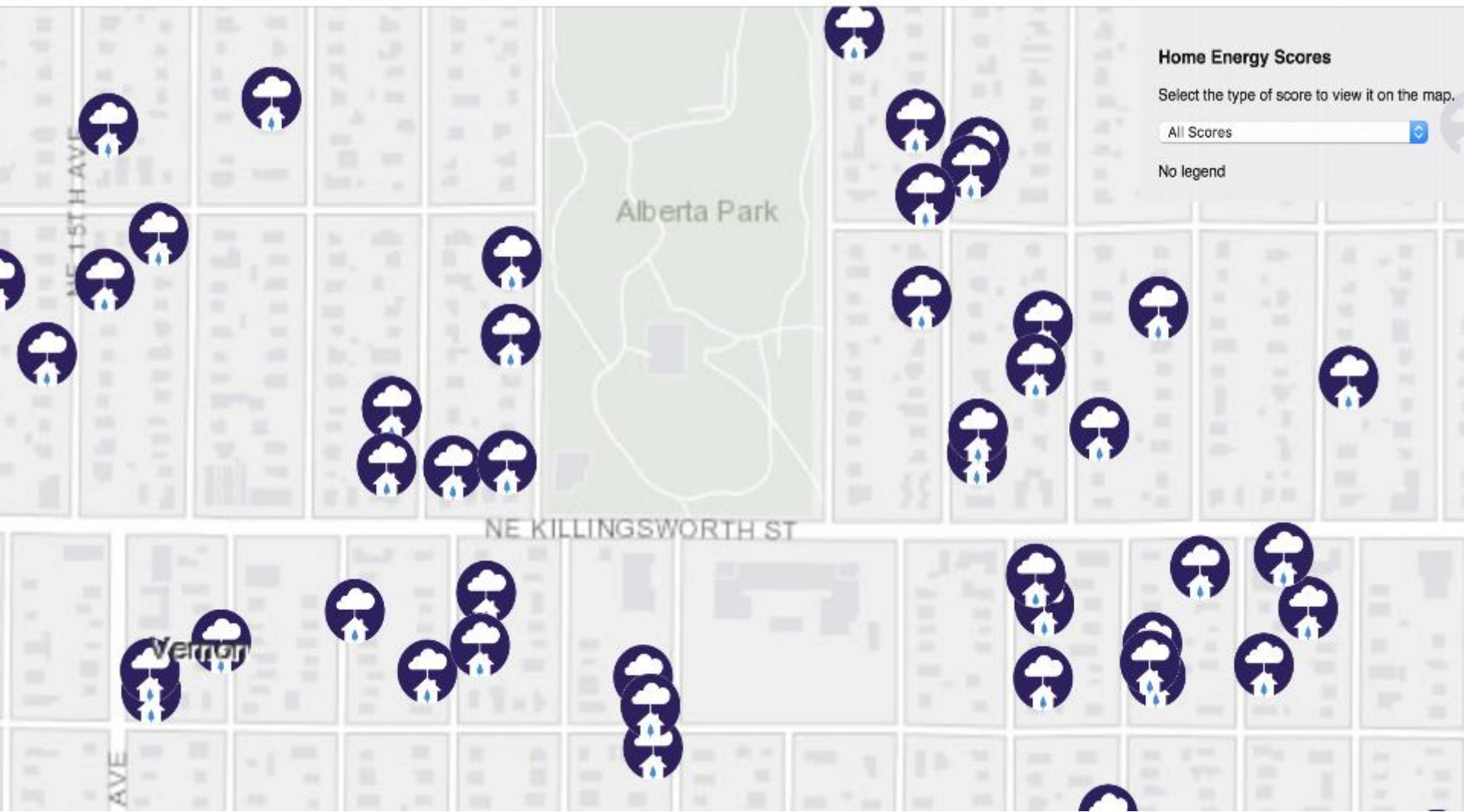




Green Building Registry®

Public Access to Portland Home Energy Scores

us.greenbuildingregistry.com



Home Energy Scores in Portland real estate listings



Hot Home

Redfin expects this home to sell soon – [go tour it now.](#)

Your comments

Visible only to you

[Add co-buyer](#)

Lovely Rose City Park Bungalow w/ welcoming front porch! Great original charm - hardwood floors, builtins & fireplace. Formal dining room plus open kitchen w/ eatin area. Desirable floor plan w/ 2 beds/bath on main & spacious master suite upstairs. Fully fenced backyard w/ patio perfect for entertaining. All this nestled quietly between Fremont & Sandy but steps to coffee shops, restaurants &

transit! [Home Energy Score = 3. HES Report at <https://rpt.greenbuildingregistry.com/hes/OR10075431>]

Bathroom Information

- # of Bathrooms (Full): 2
- # of Upper Level Bathrooms (Full): 1
- # of Main Level Bathrooms (Full): 1

Kitchen Information

- Sq. Ft.: 170
- Length (Ft.): 17
- Width (Ft.): 10
- Level: Main
- Appliances: Appliance Garage, Built-in Microwave, Built-in Dishwasher, Disposal, Gas Appliances, Tile, Free-Standing Range, Freestanding Refrigerator

Floors, Laundry, Washer/Dryer, Wall to Wall Carpet, Heated Tile Floor

- Room Features: Built-ins, Disposal, Eating Area, Fireplace, Hardwood Floors, Suite, Tile Floor, Walk in Closet, Wall to Wall Carpet

Heating & Cooling

- Heating: Forced Air
- Cooling: Central Air Conditioning
- Fuel: Electricity, Gas
- Hot Water: Gas

Exterior Features

Building Information

- Year Built Details: Resale
- Roof: Composition Roofing
- Basement/Foundation: Partial Basement, Unfinished
- Exterior: Lap Siding, Fiber Cement, Wood Siding

- Features: Fenced, Garden, Patio, Porch, Yard

Green Certification Information

Home Energy Score
Home Energy Score
Metric: 3
Year: 2019

Utilities

Utility Information

- Water: Public
- Sewer: Public Sewer

Energy Efficiency Features

[Green Verification HES \(PDF Download\)](#)

Financing, Location Details, Documents & Disclosures

Financial Information

- Terms: Cash, Conventional

Documents & Disclosures

- Seller Disclosure: Disclosure

Location Information

- Area: Portland Northeast

Property / Lot Details

Home Energy Score and URL link to full HES report

Home Energy Score and URL link to full HES report



SUPPORTING A CHANGING REAL ESTATE INDUSTRY

The market is changing fast





NAR DANGER REPORT

Among Top 10 Threats & Challenges (next 3-5 years):

- The Decline In The Relevancy Of Agents
- Masses of Marginal Agents Destroy Reputation
- The Agent Is Removed From The Transaction

Strategies for connecting with buyers:

- Differentiate yourself from online home buying websites
- Emphasize the value that you bring to the table – be their trusted advisor
- Knowledge is a key asset to provide that value

Empowering the local real estate community

Broker Firm
Presentations



Short Videos



HES/MLS Support



Online Courses &
Webinars



Event
Tabling



Real Estate
Agent/Broker
Training



Home Tours &
Site Visits



Title Company
Lunch & Learns



Networking Events



Sales Staff Training



Classroom Training



Fannie Mae®

FANNIE MAE PORTLAND HOME ENERGY SCORE PILOT

**HOUSE
FOR SALE**



HomeStyle[®] Energy Mortgage

June 2019

Finance energy-related improvements as part of a home purchase or refinance loan, and an introduction to the new HomeStyle Energy variance.



Thank You

Anthony Roy

Director of Programs

Earth Advantage

aroy@earthadvantage.org

EARTH ADVANTAGE ONLINE TRAINING

Coursework designed to engage real estate professionals at all levels of energy efficiency interest and understanding





Katie Jones
Center for Energy and Environment

MINNEAPOLIS RESIDENTIAL ENERGY DISCLOSURE



Katie Jones

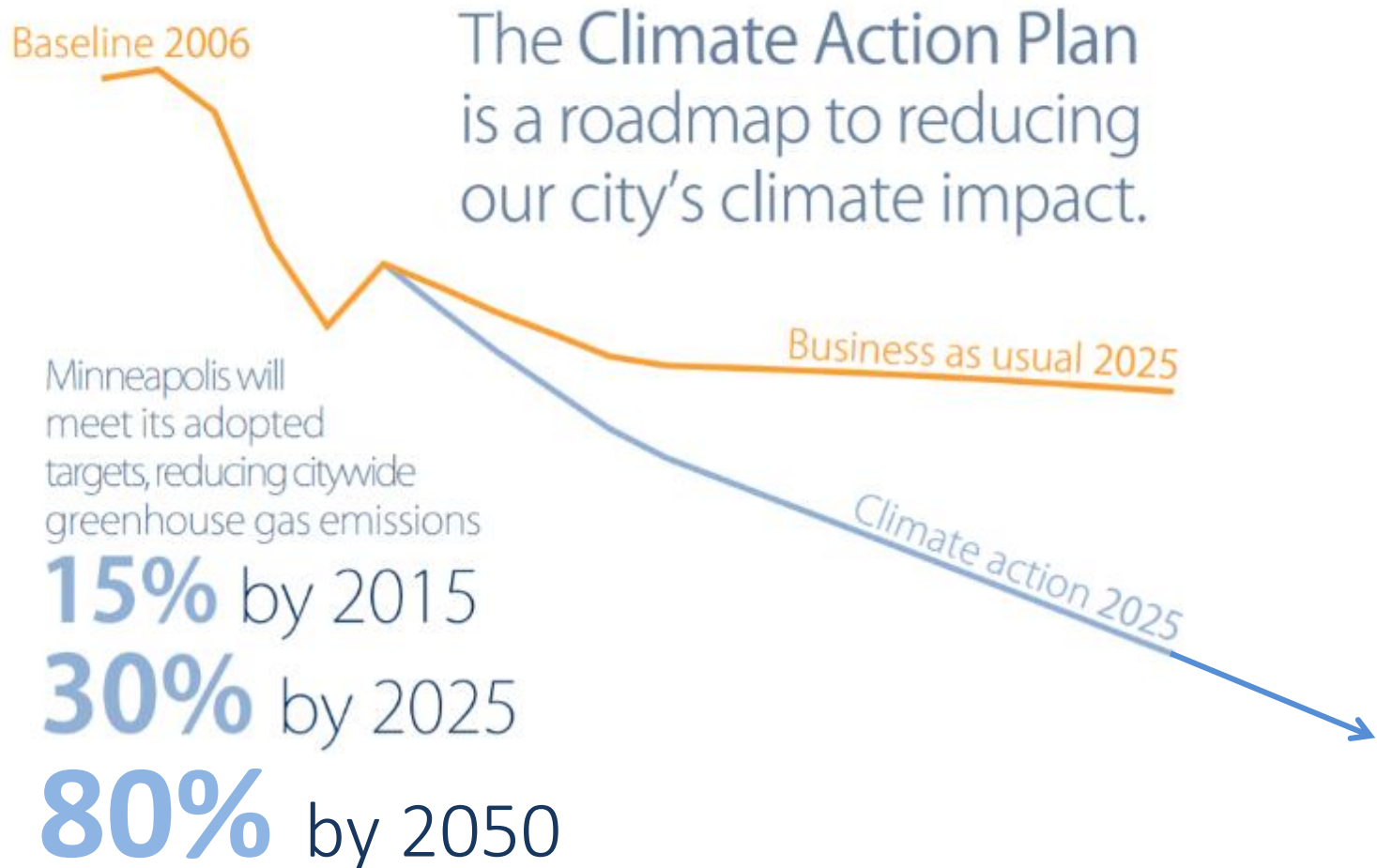


Center for Energy and Environment

40 years of energy efficiency services



Minneapolis Climate Action Plan



Climate Action Plan – Residential Building Strategies

- “Help 75 percent of Minneapolis homeowners participate in whole-house efficiency retrofit programs by 2025
- “Help 75 percent of Minneapolis renters and rental property owners participate in efficiency retrofit programs by 2025,
- “Create time-of-sale and time-of-rent energy label disclosure.”



Umbrella of Policies

- Energy Disclosure for every resident:
 - Multi-Family benchmarking
 - Time of rent – average bill disclosure
 - Time of listing energy disclosure

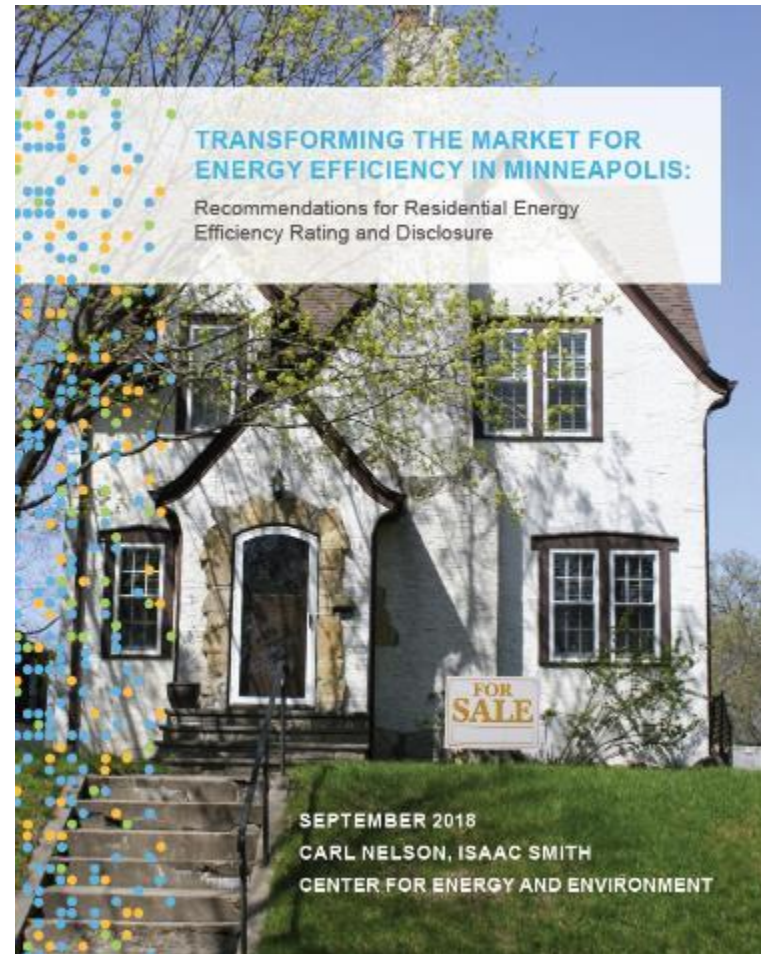


Time of Listing Research

Findings

- Asset rating, not bill disclosure is most effective
- Highly visible to market
- Link to utility programs, City resources, and financing

Report for City

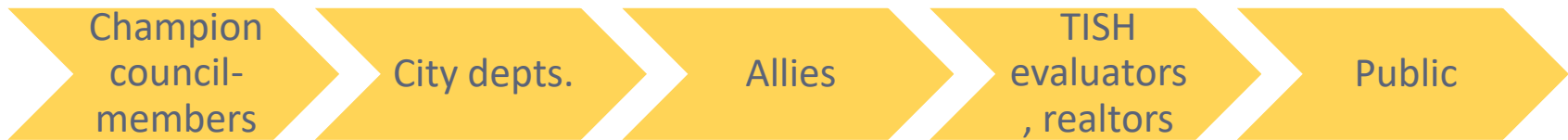




Time of Listing Pilot

- Minneapolis truth in sale of housing (TISH) evaluation
 - Required prior to listing
 - Health and safety focused
- Feasibility study – add energy report to TISH
 - 5 home inspection companies
 - 38 home inspections
 - Focus group
- Conclusion – effective pathway for energy disclosure

Stakeholder Engagement





Takeaways from Engagement

- Early and often - engagement allows you to control and deliver message
 - Avoid misinformation
 - Explain why: City goals
 - Setup as necessary and inevitable
- Stakeholders become part of process – help figure out the best way to do it
- Stakeholders are important partners once policy passes

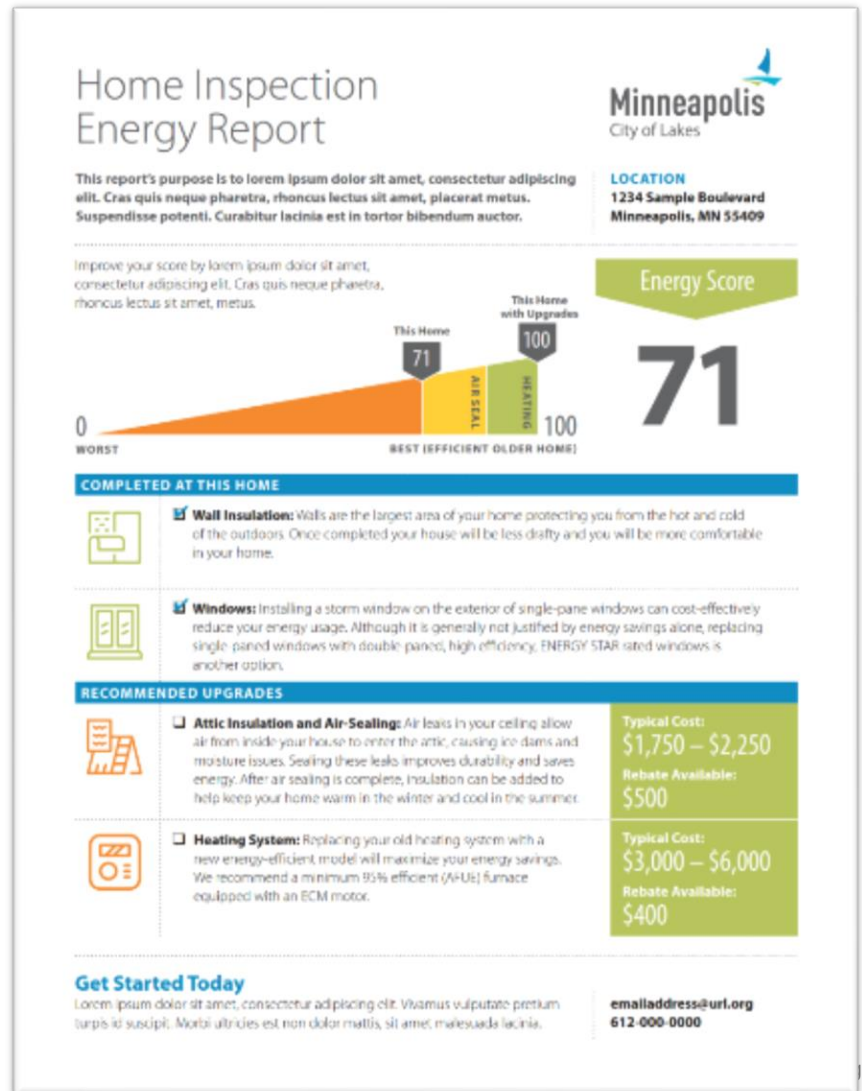


Minneapolis Policy

- Passed unanimously on 2/15/19
- Amendment to TISH policy
 - Energy report available at open houses and reviewed at closing
 - Ensures high compliance > 90%
 - Leverages existing City resources and processes
 - Low additional cost for seller
- Begins January 2020

Energy Report - Asset Rating

- Specific to Minneapolis housing stock
- Designed for existing homes
- Aligns with cost effective improvements and utility programs



Energy Report – Next Steps

Recommendations



**Simple and prioritized
next steps**



**Information on cost
and energy savings**

Resources



**Utility programs
and rebates**



**City financing
and resources**

Energy Advisor Service

- Connection between information and action
 - Audit experience shows this is needed





Impact

- 5,500 reports every year
 - Creates awareness of utility and City resources
 -
- Spur investment in energy improvements
 - Reward homeowners for completing energy upgrades
- Opportunity to change housing market - bring value to energy efficient homes
 - Studies show energy efficient homes sell for 2%-6% more

Lessons learned



Research – data and reasoning behind policy and implementation decisions



Value of stakeholder engagement and input

- Helpful to have climate action goals to lean on



Media – try to be proactive so story has correct info

- Spent time being reactive and correcting misinformation



Next Steps

- Implementation
 - Realtor outreach, training and materials
 - TISH Evaluator training
 - Home seller resources
- Realtor stakeholder group
 - Connection with MLS
 - Appraisers – green addendum



THANK
you!



Katie Jones presenting for -
Isaac Smith ismith@mncee.org 612-335-3483



Dan Ticona
Freddie Mac



Promoting Energy-efficiency Improvements with GreenCHOICE Mortgages Product and Eligibility Highlights

Daniel Ticona, Manager Strategy & Policy
August 2019

Growing Responsible, Sustainable Affordable Lending



Promoting Energy-efficiency Improvements with GreenCHOICE MortgagesSM



- Supports home improvements that lead to utility-cost savings
- Finances the cost of eligible improvements $\leq 15\%$ of the as-completed property value
- Requires an energy report only if aggregate cost of improvements $< \$6,500$
- Gives the lender a \$500 credit in credit fees when the loan is delivered
- Allows a single closing on renovations and home purchase or refinance
- Allows for delivery of the mortgage before improvements are completed



Benefits of GreenCHOICE

■ For homebuyers and homeowners:

- » Gain financing options
- » Finance the work over the mortgage term, making it more affordable
- » Save time and money
 - No energy report if aggregate cost of improvements <\$6,500
 - Single closing with home purchase or refinance
- » Improve the home's affordability and comfort

■ For lenders:

- » Gain financing options and flexibilities
- » Expand lending opportunities

GreenCHOICESM Highlights



Factor	Features & Eligibility
Property type	1- to 4-unit property, condo, new or existing property; co-op, if OK under the seller's Purchase Documents; manufactured home, if improvements don't affect the property's structural integrity
Eligible mortgages	<ul style="list-style-type: none"> • Purchase or no cash-out refinance transaction • Most of our eligible fixed- and adjustable-rate mortgages (not Seller Converted Mortgage or Construction and Renovation Conversion Mortgage) • Home Possible[®] • HomeOneSM • Super conforming mortgage
Maximum efficiency financing	15% of the as-completed value of the property
Maximum LTV ratios	<ul style="list-style-type: none"> • 97% LTV or 105% TLTV for Home Possible[®] purchase transactions • Standard LTV/TLTV/HTLTV ratios (see Guide Section 4203.4)
Basic energy- & water-efficiency improvements	Programmable thermostats; caulking or weather stripping; additional ceiling, wall, floor insulation; air sealing; air conditioning/heating replacement to high efficiency; solar water heaters; low-flow water fixtures; high-efficiency refrigerators/freezers, water heaters, light bulbs; replacement of windows, doors
Appraisal & energy reports	<ul style="list-style-type: none"> • Seller must obtain interior/exterior inspection appraisal • Completion report required • Energy report required if aggregate improvement costs >\$6,500; if ≤\$6,500, energy report is not required

For more information: Chapter 4606 of Freddie Mac's *Single-Family Seller/Servicer Guide*

CHOICERenovationSM Highlights



Factor	Features & Eligibility
Property type	1- to 4-unit primary residence; manufactured home; 1-unit second home; 1-unit investment property; unit in planned-unit development, condo, co-op (if OK under lender's Purchase Documents), or leasehold estate
Eligible mortgages	<ul style="list-style-type: none"> • Purchase or no cash-out refinance transaction • Most of our eligible fixed- and adjustable-rate mortgages • Home Possible[®] • HomeOneSM • Super conforming mortgage
Maximum financing	≤75% of as-completed property value; custodial account required for escrow account; renovations must be complete within 365 days of Note date
Maximum LTV ratios	<p>1-unit primary: 95% LTV, >95% if FTHB with HomeOne, 97% with Home Possible; TLTV to 105% with eligible Affordable Seconds[®] (Home Possible and HomeOne only)</p> <p>Manufactured home: 95% LTV, 95% TLTV</p>
Contingency reserve	10-20% of total renovation cost
Loan delivery to Freddie Mac	All Freddie Mac sellers may deliver loans after renovations are complete without recourse. Approved sellers may deliver loans before renovations are complete with recourse; prior approval required.

For more information: Chapter 4607 of Freddie Mac's *Single-Family Seller/Servicer Guide*

Comparing GreenCHOICE and CHOICERenovation Mortgages



GreenCHOICE MortgagesSM

- 1- to 4-unit property
- Co-op, if allowed under lender Purchase Documents
- Manufactured home, if improvements do not affect structural integrity

Maximum financing ≤15% of as-completed property value

All Freddie Mac sellers may offer.

Purchase or no cash-out refinance

Most of our eligible FRMs and ARMs*, including Home Possible®, HomeOneSM, and super conforming mortgages

*Cannot be Seller Converted Mortgages or Construction and Renovation Conversion Mortgages

Lender obtains appraisal based on interior and exterior inspection; report required to verify completion

Lender recourse not required.

CHOICERenovationSM

- 1- to 4-unit primary residence
- 1-unit second home
- 1-unit investment property
- Unit in PUD, condo, co-op, or leasehold estate
- Manufactured home (alternate funding limits)

Maximum financing ≤75% of as-completed property value; custodial account required for escrow account

All Freddie Mac sellers may deliver loans after renovations are complete without recourse. Approved sellers may deliver loans before renovations are complete with recourse; prior approval required.

Purchase or no cash-out refinance

Most of our eligible FRMs and ARMs; may be combined with Home Possible®, HomeOneSM, and super conforming mortgages; Affordable Seconds allowed to 105% on Home Possible and HomeOne

Lender obtains appraisal based on interior and exterior inspection upon completion of renovations

Mortgages delivered after renovation is complete are sold without recourse. Mortgages delivered before renovation completed are sold with recourse.

Offering Low Down Payment Options



■ Home Possible®

- » First-time buyers and other buyers who qualify based on area median income in the home's location
- » Down payment as low as 3%
- » Flexible down payment and closing cost funding options
- » Co-borrower who is not part of the household allowed
- » Private mortgage insurance stops at 80% LTV

■ HomeOneSM

- » First-time buyers – no income restriction
- » All borrowers must occupy
- » Fixed-rate terms only

■ HFA Advantage®

- » Based on Home Possible underwriting requirements
- » 1-unit primary residence; all borrowers must occupy
- » State/Local HFA's down payment assistance and guidelines
- » Minimum MI coverage required



Photo: The National Museum of American History

All for Home, All for a Better Future



Explore the Residential Program Solution Center

Resources to help improve your program and reach energy efficiency targets:

- [Handbooks](#) - explain *why* and *how* to implement specific stages of a program.
- [Quick Answers](#) - provide answers and resources for common questions.
- [Proven Practices](#) posts - include lessons learned, examples, and helpful tips from successful programs.
- [Technology Solutions](#) **NEW!** - present resources on advanced technologies, **HVAC & Heat Pump Water Heaters**, including installation guidance, marketing strategies, & potential savings.



<https://rpssc.energy.gov>

Thank You!

Follow us to plug into the latest Better Buildings news and updates!



[Better Buildings Twitter](#) with [#BBResNet](#)



[Better Buildings LinkedIn](#)



[Office of Energy Efficiency and Renewable Energy Facebook](#)

Please send any follow-up questions
or future call topic ideas to:
bbresidentialnetwork@ee.doe.gov